



STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

Phil Bredezen
Governor

Andrew Johnson Tower
710 James Robertson Parkway, 8th Floor
Nashville, Tennessee 37243-0655
(615) 741-2582

James G. Neeley
Commissioner

May 30, 2005

Ms. Helen Parker
Regional Administrator
U.S. Department of Labor/ETA
Atlanta Federal Center Rm. 6M12
61 Forsyth Street, S.W.
Atlanta, GA 30303

Dear Ms. Parker:

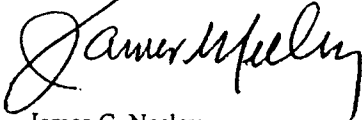
On behalf of the Tennessee Department of Labor and Workforce Development, please find attached two requests for approval of WIA waivers for the State of Tennessee. The proposed waiver requests were developed in accordance with WIA, Section 189(i)(4), 20 C.F.R. 661.400-661.420. First, Tennessee is requesting a waiver of the regulatory requirement to capture six-month earnings change (§666.100(a)(iii)) performance outcomes in the overall state level performance reports for Incumbent Worker Training participants, as defined in 20 C.F.R. Part 652 et. al. § 665.220. Second, Tennessee is requesting a waiver of the regulatory requirement to capture overall state level performance regarding six month earnings change outcomes regarding participants in the Senior Community Service Employment Program as defined in 20 C.F.R. 641, Definitions; and as further described and explained as a partner in integrated services in Training and Employment Guidance Letter No. 26-04. We seek these waivers for the entire state consisting of thirteen Local Workforce Investment Areas. In addition, we would like to request in this letter an extension of our present Youth ITA waiver which expires June 30, 2005.

As required, we have included a description of the process for providing notice and opportunity to comment on the proposed waiver requests to Boards and other interested parties. We believe the waivers will provide increased flexibility to the State of Tennessee and the Boards in implementing reforms and the Common Performance Measures in our state workforce system. Further, the waivers are necessary and much needed to continue to operate a high level, and to promote system integration and functionality in meeting the needs of employers and individuals in Tennessee, and by extension, in the nation. The Youth ITA justification is discussed in a separate mailing.

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We appreciate the opportunity to submit these waiver requests and look forward to receiving the Secretary's positive reply. If you have any questions or require additional information, please contact Susie Bourque, Director of Performance and Compliance, Division of Employment and Workforce Development at 615-741-4092 or Susie.Bourque@state.tn.us.

Sincerely,

A handwritten signature in black ink, appearing to read "James G. Neeley". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

James G. Neeley

DH:DH

**STATE OF TENNESSEE
WAIVER REQUEST
WORKFORCE INVESTMENT ACT:**

The Tennessee Department of Labor and Workforce Development (TDLWD), as the administrative entity for the Workforce Investment Act (WIA) in the State of Tennessee, is requesting a waiver of the regulatory requirement to capture and report six-month earnings change data for Incumbent Worker Training (IWT) participants.

In compliance with WIA Regulations 666.100 (a)(iii), please accept the following as a request for a waiver.

A. Statutory Regulation to be Waived:

- WIA section 136(b)(2)(A), 20 CFR 666.140, and 20 CFR 666.100 require the capture and reporting performance measure outcomes for all individuals participating in WIA. Specifically, WIA Regulation 666.100(a)(iii) requires the capture and reporting of six month earnings change performance outcomes. The approval of this waiver will exclude Incumbent Worker Training participants from the six months earnings measure, and will increase program potential and integration of business involvement in the One-Stop environment.

B. Goals to be achieved by the Waiver:

- **Increase the enrollment numbers to assist employers divert layoffs and retain current employees.**
Currently, Tennessee provides funding to businesses by using statewide funds and placing the data entry responsibilities on the local workforce investment areas. LWIAs are not held accountable for the IWT program outcomes, these outcomes are captured on the state level. However, changes to this system would place the performance results on the LWIAs. The exclusion of the six-month earnings change would eliminate the barrier of IWT earnings change below the goal.
- **Providing more employees with higher technical skill levels through training and increase employment potential.**
By improving access and opportunities to train and upgrade the skills of Tennesseans and by building and modernizing our public community infrastructure, the state can maximize its investments in economic and workforce development. Increasing enrollments in the IWT will assist in achieving this strategy.
- **Meet the demands of a changing economy**
IWT provides a forum to support the existing jobs in Tennessee and identify opportunities in high growth markets. The State can be competitive based on its resources and existing business advantages. In addition, your approval of this waiver will enhance our ability to capture baseline data on IWT participant activities, which

presently are rare among participant outcomes. In the near future, however, we expect important increases in IWT participation.

- **Promote partnerships in between businesses and the One-Stop**

By eliminating this specific measure from IWT, LWIAs can increase the number of programs in their communities. By promoting service delivery through the On-Stop specific, community based need can be addressed.

C. State or Local Statutory or Regulatory Barriers:

- There are no existing state or local statutory or regulatory barriers to implementing this waiver request.

D. Description of the Goals for the Waiver and Expected Outcomes:

- The purpose to the six-month earnings change is to identify when a participant increases their earning potential and an outcome from receiving WIA services. These participants typically enter the program with low earnings or no earnings. With the IWT program the participants are possibly earning a sufficient wage; however, they have the potential to lose the job and, consequently, 100% of their earnings. The six-month earnings change does not accurately reflect a diverted loss of income. Receiving this waiver would allow Tennessee the opportunity to analyze positive program effects, such as, diverted loss of income, increase in employability skills, and market growth for communities and set base-line outcomes. Tennessee's Incumbent Worker Training program has generated a lot of interest and enthusiasm among our business partners and local workforce investment areas. This program has provided training assistance for more than 5,000 participants through 55 employers by helping to retain jobs or divert layoffs. These participants will not meet the six-month earnings change goal but, they will be able to keep their job. However, keeping their job is not captured in the earning change measure. By excluding the six-month earning change measure from the Incumbent Worker Training program outcomes, the state can increase the enrollment numbers, assist employers from laying off employees, promote economic growth and has the potential to increase employment opportunities. Tennessee is interested in providing employers with a highly skilled workforce and assisting employees to maintain a level of technical training to meet the ever changing market.

E. Description of the Individuals Impacted by the Waiver:

- The waiver will positively impact all eligible adult customers. These customers will benefit from having more training opportunities available to them.

F. Description of the Process to Monitor Progress:

- TDLWD will be the entity responsible for monitoring the progress in the IWT program. We will also be responsible for monitoring the local area process during annual on-site reviews of each local area. (E&T Sub-recipient Monitoring Plan for

PY 2004, Approved by Finance and Administration. Division of Resource Development and Support, November 8, 2004)

G. Opportunity for Local Boards to Comment of the Waiver Request:

- This waiver request was initiated based on needs identified by LWIA Directors, and the waivers are described in Tennessee's recently submitted plan for PY 2005 and PY 2006. The concept for these waivers was presented and discussed at our March 2005 State Workforce Board Meeting, and discussed as well at the LWIA Executive Director's meeting which immediately preceded the Board meeting. These waivers are being made available for additional public comment through the department's website, effective June 1, 2005.

**STATE OF TENNESSEE
WAIVER REQUEST
WORKFORCE INVESTMENT ACT:**

The Tennessee Department of Labor and Workforce Development (TDLWD), as the administrative entity for the Workforce Investment Act (WIA) in the State of Tennessee, is requesting a waiver of the regulatory requirement to capture and report participant outcomes involved in the state level performance outcomes for Senior Community Service Program participants, and as fully described in 20 CFR 641 and the Older Americans Act Amendments (OAA Amendments) of 2000.

In compliance with WIA Regulations 666.100 (a)(iii), please accept the following as a request for a waiver.

A. Statutory Regulation to be Waived:

- WIA section 136(b)(2)(A), 20 CFR 666.140, and 20 CFR 666.100 require the capture and reporting performance measure outcomes for all individuals participating in WIA. Specifically, WIA Regulation 666.100(a)(iii) requires the capture and reporting of six month earnings change performance outcomes. The approval of this waiver will exclude Senior Community Service Program participants from the six months earnings measure, and as further described and explained in TEGM No. 26-04 2005 State Senior Employment Services Coordination Plan. We believe the waiver will enhance Tennessee's ability to capture baseline data on the outcomes regarding these participants; and it will enhance Tennessee's ability to further integrate services and provide greater functionality in the One-Stop environment.

B. Goals to be achieved by the Waiver:

- **Increase the SCSP enrollment numbers through the One-Stop system.**
Presently, dual enrollment registrations among SCSP participants is limited. But under the Common Performance Measures due to be implemented July 1, 2005, this population of registrants will increase, without a corresponding increase of baseline knowledge of realistic performance levels and outcomes. Given the potential impact of SCSP participant activities on the state's six month earnings measure outcomes, enrollments may remain flat. However, with the approval of this waiver, we can expect increased enrollments of SCSP participants.
- **Greater Functionality in the provision of services.**
With continuing emphasis upon the integration of services, the approval of this waiver will encourage local and state staff to think and act more in terms of the functional and effective process of work, registration, and referral.
- **Meet the demands of a changing economy**
Your approval of this waiver will assist in serving the SCSP population by greatly helping to establish baseline, realistic performance data for the delivery of future performance levels, and greater service to this population. In addition, as the baby

boomer generation continues to age, we need to continue to be flexible and meet their employment needs. Oftentimes, this population of workers is looking for part-time and seasonal work only. Thus, we will much better serve the SCSP population by developing realistic, baseline data for use in the future.

C. State or Local Statutory or Regulatory Barriers:

- There are no existing state or local statutory or regulatory barriers to implementing this waiver request.

D. Description of the Goals for the Waiver and Expected Outcomes:

- The purpose to the six-month earnings change is to identify when a participant increases their earning potential and an outcome from receiving WIA services. These participants typically enter the program with low earnings or no earnings. With the SCSP program the participants are possibly earning a sufficient wage; however, they oftentimes desire only part-time or seasonal work. The six-month earnings change does not accurately reflect this part-time/seasonal outcome. Receiving this waiver would allow Tennessee with the opportunity to analyze positive program effects, such as, part-time/seasonal income, increase in employability skills, and market growth for communities and set baseline outcomes

E. Description of the Individuals Impacted by the Waiver:

- The waiver will positively impact all eligible adult customers. These customers will benefit from having more training opportunities available to them.

F. Description of the Process to Monitor Progress:

- TDLWD will be the entity responsible for monitoring the progress in the SCSP program. We will also be responsible for monitoring the local area process during annual on-site reviews of each local area. (E&T Sub-recipient Monitoring Plan for PY 2004, Approved by Finance and Administration, Division of Resource Development and Support, November 8, 2004).

G. Opportunity for Local Boards to Comment of the Waiver Request:

- This waiver request was initiated based on needs identified by LWIA Directors, and the waivers are described in Tennessee's recently submitted plan for PY 2005 and PY 2006. The concept for these waivers was presented and discussed at our March 2005 State Workforce Board Meeting, and discussed as well at the LWIA Executive Director's meeting which immediately preceded the Board meeting. These waivers are being made available for additional public comment through the department's website, effective June 1, 2005.